



CLARENCE CAMPEAU DEVELOPMENT FUND



Celebrating 10 Years

Serving Saskatchewan's Métis
Annual Report 2007



Clarence Campeau Development Fund

"Serving Saskatchewan's Métis"

The Clarence Campeau Development Fund (CCDF) is named after the late Clarence Campeau, Métis political leader and promoter of Métis self-sufficiency through business and economic development activities.

Chairman's Message

I was appointed Minister of Economic Development for the Métis Nation - Saskatchewan following the Métis election in 2007. As such, I assumed the role as Chairman of the Clarence Campeau Development Fund in December and I look forward to assisting the Fund in its efforts to fulfill its very important mandate.

Having been involved in private business as well as Métis politics for some time, I have an appreciation for the needs in our communities. CCDF brings a level of professional services along with funding programs that effectively promote business development right across the province.

One of my first responsibilities is to work with the Métis Nation and the CCDF board to appoint members to fill board vacancies. We want to make sure policies are in place for regular changes to the board as this represents sound governance and an opportunity for the fund to take advantage of the valuable experience of qualified Métis people.

The long term funding issue of CCDF needs to be addressed. The Métis Nation will be negotiating with the province to increase funding to CCDF which has remained at the same level since 2002 when the last Agreement was signed and considerably lower than prior to the Fund being legislated in 2001. The Fund receives \$2,000,000 a year from gaming while approving project funding of over \$ 3.7 million and projecting operating costs of over \$700,000. Gaming revenue has increased significantly in the province and the Métis will be negotiating for a fair share of these dollars. Since the Fund has a proven track record of success, I anticipate positive results between the MN-S and the province and increased funding for Métis economic development.

I have had a number of discussions with the management and staff of the Fund and have the utmost confidence in their ability to take the Fund to a new level. I will work closely with the board and Capital management as we look for new and better ways to support the economic development needs of the Métis in Saskatchewan.

Bob McLeod
Chairman of the Board

Fund Manager's Message

Once again the Clarence Campeau Development Fund has proven to be a driving engine for Métis economic development in the province with results far exceeding expectations during the past year. In 2007 the Fund approved over \$3.7 million dollars in funding for equity, community development, business planning, aftercare, management and marketing skills development. This funding supported approximately 650 direct and indirect jobs in the province and leveraged over \$25 million dollars in conventional financing to these projects.

Over the past 10 years CCDF has approved funding to 525 Métis business proposals for almost \$19 million dollars. Métis clients have contributed over \$5 million in equity and conventional financing of over \$70 million dollars has been leveraged. The economic impact in dollars is almost \$94 million into the Saskatchewan economy creating and securing direct and indirect employment for over 4000 people. Spin off benefits to the province include increased spending power and cash flow in our communities, infrastructure development, personal and corporate tax increases, increased wealth contributing to improved health and education for Saskatchewan people and potentially decreased social programming costs.

During the year the Fund delivered the Saskatchewan First Nations and Métis Economic Development Program to Métis businesses under a service delivery agreement with Saskatchewan First Nations and Métis Relations. Funding under this program is in the form of grants to Aboriginal businesses operating in six key sectors which include; energy, mining, forestry, value added agriculture, manufacturing and Aboriginal themed tourism. 10 projects were approved during the year for a total contribution of \$413,000.

During the past year the Fund recognized its 10th anniversary with a gala celebration attended by over 300 clients as well as government and industry representatives. In addition, the Fund, along with the FSIN and the province, co-hosted the National Aboriginal Economic Development Symposium in January which was held in Saskatoon.

During the year CCDF purchased a new office building and added two additional staff. This continues the efforts of the Board and Management to create a stable environment to ensure that the valuable assistance the Fund provides continues to be available to support the anticipated demand from our Métis entrepreneurs and communities.

I would like to thank our staff who really makes it all happen. Their dedication and loyalty continue to drive our organization. Also, the support of the Board during the past year was much appreciated. With the continued support of the Métis Nation – Saskatchewan and the province we anticipate the Fund will continue to provide a positive impact for Métis people and all Saskatchewan residents well into the future.

Roland Duplessis
Fund Manager (CEO)

The Fund

The Clarence Campeau Development Fund (CCDF) was established by The Métis Society of Saskatchewan Inc. subject to an agreement with the Government of Saskatchewan dated June 11, 1997. In September of 2001 an amendment to the Gaming Act recognized CCDF in legislation and a new Agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, support to community economic development initiatives, and assistance for the development of the management skills of new and existing Métis business owners and entrepreneurs. The Fund derives its revenue subject to the agreement with the Government of Saskatchewan.

Mission Statement

The mission of the CCDF is to improve the economic circumstances of Saskatchewan Métis by providing funding for community development initiatives, development of management skills and assistance to new and existing Métis businesses.

Goals and Objectives

The goals of the CCDF will be as follows:

- To ensure that Métis Entrepreneurs acquire the management, administrative and marketing skills necessary for business success;
- To increase employment opportunities for Métis persons;
- To improve incomes for Métis persons.

Programs

1. LOAN/EQUITY CONTRIBUTION PROGRAM

This program is to assist Métis entrepreneurs by providing capital through interest free loans or equity that will enhance the applicant's ability to leverage financing from other institutions and agencies.

CCDF can provide financial assistance of up to the lesser of \$200,000 per project or 35% of the value of the fixed assets identified in the program costs.

Purpose:

- The purchase or start-up of a new business
- The purchase of an existing business
- Business expansion or renovation

Method of Investment:

Re-payable contributions for a term not to exceed seven years

Equity instruments as follows, to be held for a maximum period of ten years:

- Common shares
- Preferred shares
- Convertible preferred shares; or
Convertible debentures for a maximum period of ten years.

General Guidelines:

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- Applicants must contribute a minimum of 5% equity to the project. Projects deemed by the Fund to be higher risk will require larger equity contributions;
- Equity may be in the form of cash, machinery, equipment, real estate or other unencumbered fixed assets. Assets must be valued at fair market value by an independent appraiser.

2. COMMUNITY BUSINESS DEVELOPMENT PROGRAM

This program is intended to assist Métis community owned business development associations and corporations leverage capital to develop businesses that will result in the creation of wealth and jobs for Métis.

Under this program CCDF can provide a one time, non-repayable contribution up to the lesser of \$100,000 or 35% of the value of fixed assets as identified in the program costs. Should the business be sold or disposed of within 3 years of receiving a non-repayable contribution it will become repayable immediately.

As well, CCDF can contribute up to the lesser of \$200,000 or 35% of the value of the fixed assets as a repayable contribution, preferred shares, convertible preferred shares or convertible debentures.

Repayable contributions will be for a term not to exceed seven years while equity instruments will not exceed ten years.

Note: Total funding from CCDF under this program will not exceed 50% of the value of the fixed assets.

Purpose:

- To start a new business
- To purchase an existing business
- To renovate or expand an existing business

Guidelines:

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- The community will be expected to demonstrate its commitment through an injection of reasonable equity.

3. LARGE SCALE OR JOINT VENTURE PROJECTS PROGRAM

Funding is available under this program for up to the lesser of \$1,000,000 or 50% of the total project costs. Minimum funding under this program will be \$201,000. Projects funded under this program must be for-profit and commercially viable with total project costs in excess of \$ 500,000. Priority will be given to, but not restricted to, higher end, value added projects.

Financial assistance will be in the form of:

- Common shares;
- Preferred shares;
- Convertible preferred shares;
- Convertible debentures;
- Mortgages and other forms of debt;
- Units in a limited partnership or joint venture for a period set out in the partnership agreement or joint venture agreement

4. DEVELOPMENT OF MANAGEMENT AND MARKETING SKILLS PROGRAM

This program supports training for new and existing Métis entrepreneurs to develop their management and marketing skills.

Guidelines:

- Applicants must provide an application that includes the purpose of the course as well as a course outline and a detailed budget;
- Applicants must demonstrate that they have approached other Métis educational funding agencies prior to applying to CCDF. CCDF does not intend to duplicate the services of other Métis Nation agencies or affiliates;
- Training must be through credible organizations that undertake to provide appropriate training;
- The training must be specific to business management and not technical training unrelated to the development of management and marketing skills;
- The maximum available under this program is 75% of the approved costs; CCDF funds only direct course costs such as tuition, workshop fees, and books. Living costs are not included;
- This funding is only for short courses (degree and post-graduate studies are excluded); CCDF can support the development of business related courses through Métis training institutions. In this case the institution must provide accurate budgets, complete details on the training including a course outline and a list of the individuals (full and part time) enrolling in the program and other information that may be required to evaluate the success of the training upon completion.

5. BUSINESS PLAN ASSISTANCE PROGRAM

This program is intended to provide support to entrepreneurs who in the opinion of the Fund have a business concept that through initial screening provides excellent opportunity but requires a professional business plan in order to attract financing.

This program will allow entrepreneurs to engage the services of a professional consultant in order to undertake the quality of research and planning necessary to develop a business plan and attract financing.

Guidelines:

- The applicant will provide CCDF with an application for initial screening by the Fund;
- The applicant must provide the name and qualifications of the consultant, a terms of reference and a quote of the costs agreed to;
- CCDF can consider funding up to 75% of the costs to a maximum of \$10,000;
- This funding will not be repayable.

6. SUPPORT FOR AFTERCARE PROGRAM

This program is intended to provide professional support to new businesses in order to help improve the opportunity for success.

Guidelines:

- Funding under this program is intended to allow the business to engage the services of a professional consultant to examine the operations of the business in order to identify areas that may require special attention;
- The applicant must provide the name and qualifications of the consultant, a terms of reference and a quote of the costs agreed to; CCDF can consider funding up to 75% of the costs, to a maximum of \$5,000 in each of the first two years of the business operation. Unused portions in any year will not be carried forward;
- Funding under this program is not repayable;
- Funding is not intended for the development of interim or annual financial statements.

General Guidelines for all Projects

Projects which are not eligible:

- Refinancing (some exceptions apply);
- Payment of dividends;
- Cultural activities;
- Social programs;
- Political bodies for political process;
- Residential real estate

All applicants will be required to enter into a contractual agreement with CCDF.

CLARENCE CAMPEAU DEVELOPMENT FUND
CUMULATIVE FUNDING APPROVAL REPORT

YEAR	TYPE	NUMBER	AMOUNT	JOBS	LEVERAGED
1998	C/D	9	\$ 177,109	-	\$ 335,818
1999	C/D	19	\$ 522,650	-	\$ 603,980
2000	C/D	18	\$ 468,300	-	\$ 1,144,909
2001	C/D	19	\$ 427,566	13	\$ 615,317
2002	C/D	7	\$ 302,467	12	\$ 396,686
2003	C/D	3	\$ 221,350	5	\$ 159,920
2004	C/D	4	\$ 332,190	7	\$ 196,209
2005	C/D	2	\$ 141,150	18	\$ 497,090
2006	C/D	1	\$ 36,000	6	\$ 78,169
2007	C/D	1	\$ 100,000	4	\$ 362,167
Total		83	\$ 2,728,782	65	\$ 4,390,265
1998	E	17	\$ 419,908	39	\$ 2,091,231
1999	E	49	\$ 1,212,768	98	\$ 4,076,152
2000	E	57	\$ 739,593	85	\$ 2,934,716
2001	E	49	\$ 693,183	102	\$ 2,412,600
2002	E	55	\$ 838,816	90	\$ 2,234,803
2003	E	31	\$ 1,178,142	93	\$ 3,016,812
2004	E	52	\$ 2,119,784	162	\$ 7,932,876
2005	E	32	\$ 2,902,617	136	\$ 6,755,007
2006	E	54	\$ 2,711,629	144	\$ 8,495,758
2007	E	46	\$ 3,271,743	186	\$ 25,700,314
Total		442	\$ 16,088,183	1135	\$ 65,650,269
2003	BP	28	\$ 68,623	-	-
2004	BP	33	\$ 83,289	-	-
2005	BP	25	\$ 68,193	-	-
2006	BP	46	\$ 130,353	-	-
2007	BP	53	\$ 137,256	-	-
Total		185	\$ 487,714	-	-
2000	MSD	1	\$ 100,000	-	\$ 251,128
2003	MSD	4	\$ 8,169	-	\$ -
2004	MSD	-	\$ -	-	\$ -
2005	MSD	2	\$ 5,029	-	\$ -
2006	MSD	2	\$ 11,829	-	\$ -
2007	MSD	4	\$ 8,313	-	\$ -
Total		13	\$ 133,340	-	\$ 251,128
2004	Other	1	\$ 150,000	3	\$ 75,000
Cum Total		724	\$ 19,588,019	1203	\$ 70,366,662

C/D – Community Business Development Program

E – Loan Equity Contribution Program

MSD – Management and Marketing Skills Development Program

BP – Business Plans & Aftercare Programs

Other – MN-S Economic Development Department

AUDITORS' REPORT

TO THE DIRECTORS OF CLARENCE CAMPEAU DEVELOPMENT FUND

We have audited the statement of financial position of the Clarence Campeau Development Fund as at December 31, 2007 and the statements of revenue, expenditures and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in cursive script that reads "Deloitte & Touche LLP".

Chartered Accountants

February 29, 2008

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
STATEMENT OF REVENUE, EXPENDITURES AND NET ASSETS
year ended December 31, 2007

	Budget (Unaudited)	2007	2006
Revenues			
Government funding	\$ 2,060,000	\$ 2,060,000	\$ 2,051,000
Reimbursements from National Aboriginal Capital Corporation Association	-	10,474	1,312
Interest and investment income	425,944	487,415	427,623
Recovery of bad debt	-	11,428	-
Symposium revenue	-	15,585	-
10th Anniversary Funding	18,000	18,000	-
Administration fees	15,000	19,692	17,504
	<u>2,518,944</u>	<u>2,622,594</u>	<u>2,497,439</u>
Operating expenditures			
Advertising and promotion	45,996	32,538	35,205
Amortization of capital assets	-	33,485	8,653
Bank charges	1,356	2,443	1,878
Building Expenses	16,100	13,462	-
Consulting fees	40,000	6,386	1,277
Directors' expenses	77,050	52,805	54,806
Donations	40,000	30,256	750
Employee travel	54,600	48,627	34,375
Office expenses	36,112	41,183	33,380
Professional fees	39,000	41,861	32,880
Rent	11,500	11,961	25,947
Salaries and benefits	372,007	374,504	304,342
Symposium	-	22,317	-
Telephone	18,960	17,969	16,729
10th Anniversary	29,152	27,149	-
Training	6,000	8,026	2,019
	<u>787,833</u>	<u>764,972</u>	<u>552,241</u>
	<u>1,731,111</u>	<u>1,857,622</u>	<u>1,945,198</u>
Other expenditures			
Non-repayable contributions to community projects	-	216,970	217,931
Defaulted contributions receivable (Note 5)	-	88,616	86,464
Additional provision for contributions receivable losses (Note 5)	-	123,503	165,404
	<u>-</u>	<u>429,089</u>	<u>469,799</u>
Excess of revenue over expenditures	1,731,111	1,428,533	1,475,399
Net assets, beginning of year	14,519,753	14,519,753	13,044,354
Changes in accounting policy (Note 2)	-	(43,894)	-
Net assets, end of year	<u>\$ 16,250,864</u>	<u>\$ 15,904,392</u>	<u>\$ 14,519,753</u>

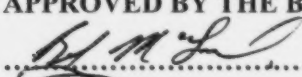
See accompanying notes

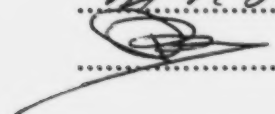
CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
STATEMENT OF FINANCIAL POSITION
as at December 31, 2007

	2007	2006
CURRENT ASSETS		
Cash	\$ 1,280,119	\$ 1,018,697
Short-term investments (Note 4)	5,196,005	5,244,320
Accounts receivable	234,426	144,539
Interest receivable	70,550	37,365
Current portion of contributions receivable (Note 5)	1,382,011	853,142
	<u>8,163,111</u>	<u>7,298,063</u>
LONG-TERM INVESTMENTS (Note 4)	1,808,805	2,605,655
CONTRIBUTIONS RECEIVABLE (Note 5)	6,097,323	5,137,332
CAPITAL ASSETS (Note 6)	488,156	29,914
	<u>\$ 16,557,395</u>	<u>\$ 15,070,964</u>
CURRENT LIABILITIES		
Accounts payable	\$ 15,784	\$ 37,243
Contributions payable	637,219	513,968
	<u>653,003</u>	<u>551,211</u>
NET ASSETS	<u>15,904,392</u>	<u>14,519,753</u>
	<u>\$ 16,557,395</u>	<u>\$ 15,070,964</u>

See accompanying notes

APPROVED BY THE BOARD:

..... Director

..... Director

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
STATEMENT OF CASH FLOWS
year ended December 31, 2007

	2007	2006
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenditures	\$ 1,428,533	\$ 1,475,399
Items not affecting cash		
Amortization of capital assets	33,485	8,653
Amortization of bond premium	49,150	41,409
Change in market value of investments	(43,894)	-
Defaulted contributions receivable (Note 5)	88,616	86,464
Additional provision for contributions receivable losses (Note 5)	123,503	165,404
Net change in non-cash working capital items relating to operations (Note 8)	(21,280)	108,123
	<u>1,658,113</u>	<u>1,885,452</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Contribution receipts	353,381	171,329
Contribution payments advanced	(2,080,656)	(1,763,547)
Purchase of capital assets	(491,726)	(3,289)
Mortgage payments received	26,295	13,544
Mortgage payments advanced	-	(363,000)
Purchase of long-term investments	(50,300)	-
Sale of long-term investments	798,000	2,885,869
	<u>(1,445,006)</u>	<u>940,906</u>
INCREASE IN CASH DURING THE YEAR	<u>213,107</u>	<u>2,826,358</u>
CASH POSITION, BEGINNING OF YEAR	<u>6,263,017</u>	<u>3,436,659</u>
CASH POSITION, END OF YEAR	<u>\$ 6,476,124</u>	<u>\$ 6,263,017</u>
 Cash, for purpose of the statement of cash flows, consists of:		
Cash	\$ 1,280,119	\$ 1,018,697
Short-term investments	5,196,005	5,244,320
	<u>\$ 6,476,124</u>	<u>\$ 6,263,017</u>

See accompanying notes

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

1. NATURE OF THE FUND

The Clarence Campeau Development Fund (the "Fund") was established by The Métis Society of Saskatchewan Inc. ("Métis Nation") pursuant to an agreement with the Government of Saskatchewan (Economic & Co-operative Development) dated June 11, 1997. Effective November 9, 2001, the Minister of Aboriginal Affairs designated the Fund as the Métis Development Fund pursuant to the *Saskatchewan Gaming Corporation Act*. A new agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002 and the Fund is governed in accordance with that agreement.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, supporting community economic development initiatives and developing management skills of new and existing Métis business owners and entrepreneurs. To achieve this, the Fund makes repayable contributions to qualifying projects and both repayable contributions and non-repayable contributions to community projects.

The term of the repayable contributions by the Fund is up to seven years. Equity instruments and convertible debentures can be held by the Fund for a maximum period of ten years. Contributions are targeted to commercially viable, market-based projects, primarily in value-added sectors of the economy such as forestry, mining, tourism and information technology with specific contribution criteria approved by the Board. The Board may enter into agreements with other contributing entities and appropriate business support agencies. Each single project is subject to a maximum of the lesser of 35% of the value of the fixed assets identified in the project costs or \$200,000. Funding is available for large scale or joint venture projects for up to the lesser of \$1,000,000 or 50% of the value of the fixed assets identified in the project.

Under the Community Development Business Program, the Fund can provide a one time non-repayable contribution up to the lesser of \$100,000 or 35% of the value of the fixed assets identified in the project costs. Should the business be sold or disposed of within three years of receiving a non-repayable contribution, it will become repayable immediately. Under the Development of Management and Marketing Skills Program, the Fund can provide contributions up to 75% of approved training costs. Under the Business Plan Assistance Program, the Fund can provide contributions up to 75% of the costs to a maximum of \$10,000. Under the Support for Aftercare Program, the Fund can provide contributions up to 75% of the costs, to a maximum of \$5,000 in each of the first two years of the business operation. Unused portions in any year will not be carried forward.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

1. NATURE OF THE FUND (continued)

The Fund derives its revenue pursuant to the *Saskatchewan Gaming Corporation Act*. In 2007 the Fund received \$2,000,000 from the Ministry of First Nations and Métis Relations (2006 - \$2,000,000). In addition, \$60,000 (2006 - \$51,000) was received from Ministry of First Nations and Métis Relations for providing assessments of Métis grant proposals.

2. CHANGES IN ACCOUNTING POLICY

Financial Instruments

The Fund adopted the recommendations of the CICA Handbook contained in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3865, *Hedges*, Section 3861, *Financial Instruments - Disclosure and Presentation* and Section 3251, *Equity*.

Under the new standards, financial assets and liabilities are initially recorded at fair value. Subsequently, financial instruments classified as financial assets or liabilities held for trading, financial assets available-for-sale and derivative financial instruments, part of a hedging relationship or not, have to be measured at fair value on the balance sheet at each reporting date, whereas other financial instruments are measured at amortized cost using the effective interest method.

These new standards were applied prospectively as of January 1, 2007 without restatement of prior years' figures. The impact of these changes in accounting policies was to decrease the opening balance of net assets and short-term and long-term investments by \$43,894, and increase the current year's interest and investment income and short-term and long-term investments by \$52,245.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Fund's designation of such instruments. Settlement date accounting is used.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

2. CHANGES IN ACCOUNTING POLICY (continued)

Financial Instruments (continued)

Classification

Cash	Held for trading
Short-term investments	Held for trading
Accounts receivable	Loans and receivables
Contributions receivable	Loans and receivables
Long-term investments	Held for trading
Long-term investments in mortgages	Loans and receivables
Accounts payable	Other liabilities
Contributions payable	Other liabilities

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in interest and investment income.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

Transaction Costs

Transaction costs related to held for trading financial assets are expensed as incurred. Transaction costs related to available-for-sale financial assets, held-to-maturity financial assets, other liabilities and loans and receivables are netted against the carrying value of the asset or liability and are then recognized over the expected life of the instrument using the effective interest method.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

2. CHANGES IN ACCOUNTING POLICY (continued)

Financial Instruments (continued)

Effective interest method

The Fund uses the effective interest method to recognize interest income or expense which includes transaction costs or fees, premiums or discounts earned or incurred for financial instruments.

Fair value

The fair value of accounts receivable, interest receivable, accounts payable, and contributions payable approximates their carrying values due to their short-term maturity. The fair value of other financial instruments is disclosed in respective notes.

The fair value of marketable securities is based on quoted market prices.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Use of Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses at year end. The most significant estimate is the provision for contributions receivable. Actual results could differ from those estimates.

Cash and Investments

Cash and investments consist of cash on hand, balances with banks, and short-term investments in money market instruments, bankers acceptances, GIC's and deposit notes.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Amortization

Capital assets are recorded at cost. Normal repair and maintenance costs are expensed as incurred. Amortization is recorded in the accounts on the diminishing balance basis as follows:

Building	4%
Office furniture	20%
Computer equipment	30%
Computer software	100%

Revenue Recognition

Revenue received or receivable pursuant to the agreement with the Government of Saskatchewan is recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and interest income is recognized as revenue when earned.

Contributions

Contributions under \$25,000 are recorded when the Fund Manager has approved the payment and all conditions are met by the applicant. Contributions over \$25,000 and less than \$50,000 are recorded when the Audit and Finance Committee of the Board has approved the payment and all conditions are met by the applicant. Contributions over \$50,000 are recorded when the Board has approved the payment and all conditions are met by the applicant.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

4. INVESTMENTS

Short-term investments consist of the following:

	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Bankers Acceptance	\$ 2,956,000	\$ 2,920,802	\$ 2,332,519	\$ 2,331,611
Bank of Nova Scotia GIC	1,450,000	1,450,500	-	-
Bank of Nova Scotia Deposit Note	473,000	472,422	2,911,748	2,855,602
Provincial Metis Holdco Inc. mortgage	286,000	286,000	-	-
Money Market	66,281	66,281	53	53
	<u>\$ 5,231,281</u>	<u>\$ 5,196,005</u>	<u>\$ 5,244,320</u>	<u>\$ 5,187,266</u>

The Bankers Acceptances are due on February 5, 2008 and May 5, 2008. Short-term investments include a Bank of Nova Scotia 4.04% GIC maturing on February 27, 2008. Also included in short-term investments is a 4.515% Bank of Nova Scotia Deposit Note with par value of \$473,000 maturing on November 19, 2008.

The Provincial Metis Holdco Inc. mortgage is a \$286,000, 4% annual interest payments, five-year first mortgage against land and building owned by Provincial Métis Holdco Inc, due July 1, 2007. This amount has not been paid as of December 31, 2007 and has been recorded as a current investment. Management has indicated that the fair market of the land and building are in excess of the amount owing on the mortgage.

Long-term investments

Long-term investments consist of a \$250,000 fifteen-year first mortgage against land and building owned by Dumont Technical Institute, due December 1, 2018; the balance at December 31, 2007 is \$194,755 (2006 - \$206,600). Interest is renewed annually on December 1st at an interest rate of 2% over the lowest bankers acceptance rate for the Bank of Nova Scotia at that date. As the interest rate is revalued every year, the fair value of the mortgage approximates the carrying value. Management has indicated that the fair market of the land and building are in excess of the amount owing on the mortgage.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

4. INVESTMENTS (continued)

Long-term investments (continued)

Long-term investments also consist of a \$363,000 ten-year first mortgage against land and building owned by 625865 Saskatchewan Ltd, due November 1, 2016; the balance at December 31, 2007 is \$347,422 (2006 - \$361,875). For the first five years of the loan the interest rate will be 6.15% per annum, calculated monthly, and for the last five years of the loan at the rate of 2% over the Province of Saskatchewan five-year bond rate at November 1, 2011. Interest is comparable to market rates for the first five years and after this is revalued every year, therefore, the fair value of the mortgage approximates the carrying value. Management has indicated that the fair market of the land and building are in excess of the amount owing on the mortgage.

Also included in long term investments is a 5 year, 6.5% Province of Saskatchewan bond with par value of \$1,167,000 (2006 - \$1,167,000) maturing on November 12, 2009 and a 4.2% Saskatchewan Savings bond with par value of \$50,300 maturing July 15, 2012. The fair market values of these bonds at December 31, 2007 are \$1,216,329 (2006 - \$1,240,918) and \$50,300 respectively.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are amounts distributed to qualified projects to provide funding. Contributions are either interest free loans or equity investments. Interest-free loans are repayable to the Fund over a maximum term of seven years. The maximum term for equity instruments is ten years and usually involves the payment of regular dividends which are included in interest and investment income in the Statement of Revenue, Expenditures and Net Assets. The dividend rate is determined based on the current bankers acceptance rate plus 2%. These equity instruments are convertible to debt at the option of the Fund after a period equal to half the term of the instrument.

All contributions in arrears are handled on a case-by-case basis and are written-off after all reasonable restructuring/collection activities have taken place and the possibility of further recovery is considered to be remote.

A contribution is classified as non-performing when management has determined that there is a reasonable doubt as to the ultimate collectibility of principal. The provision for defaulted contributions receivable consists of specific items established on a case-by-case basis and a general provision of 10% of the outstanding contributions receivable.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

5. CONTRIBUTIONS RECEIVABLE (continued)

The Fund evaluates each client's creditworthiness on a case-by-case basis. The Fund contracts project assessment and project follow up and evaluation services from other qualified institutions or businesses, where necessary. All applicants are required to enter into a contractual agreement with the Fund. Further, the Fund is required to ensure Métis ancestry when granting an equity contribution.

Contributions receivable are principally the financial instruments which potentially subject the Fund to concentrations of credit risk. Management is not aware of any concentrations of contributions to classes of borrowers or industries that would be similarly affected by economic conditions. Although the Fund's contributions portfolio is diversified, a substantial portion of its borrowers' ability to honour the terms of their loans is dependent on business and economic conditions in Saskatchewan.

Contributions receivable consist of the following:

	<u>2007</u>	<u>2006</u>
Contributions receivable	\$ 8,389,141	\$ 6,774,626
Less provision for defaulted contributions		
Specific items	(88,616)	(86,464)
General provision	(821,191)	(697,688)
	<u>7,479,334</u>	<u>5,990,474</u>
Less current portion	(1,382,011)	(853,142)
Long-term contributions receivable	<u>\$ 6,097,323</u>	<u>\$ 5,137,332</u>

The fair value of contributions receivable is not readily determinable as there is no market for the contributions receivable and it is management's intention to hold these receivables to maturity.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund)
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

6. CAPITAL ASSETS

	2007			2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 94,600	\$ -	\$ 94,600	\$ -
Building	355,878	14,235	341,643	-
Office furniture	82,232	45,658	36,574	23,335
Computer equipment	53,230	37,891	15,339	6,579
Computer software	15,270	15,270	-	-
	<u>\$ 601,210</u>	<u>\$ 113,054</u>	<u>\$ 488,156</u>	<u>\$ 29,914</u>

7. RELATED PARTY TRANSACTIONS

Transactions with related parties are measured at the exchange amount which is the consideration established and agreed to by the related parties.

During the year, the Fund adjusted the \$75,000 paid to Métis Nation for qualified projects from a repayable contribution to a non-repayable contribution. The Fund also paid \$25,000 (2006 - \$0) to Back to Batoche Métis Festival.

During the year, the Fund paid \$4,685 (2006 - \$1,830) to the Nipawin Local and Northern Greens Resort a company owned by one of the Fund's board members. The payment related to a board and staff retreat held at Northern Greens Resort.

The Board allows its members to apply for contributions for qualifying projects. During the year, the Board did not approve any new contributions for these projects.

CLARENCE CAMPEAU DEVELOPMENT FUND
(Operating as the Métis Development Fund).
NOTES TO THE FINANCIAL STATEMENTS
year ended December 31, 2007

8. NET CHANGE IN NON-CASH WORKING CAPITAL

Details of net changes in each element of non-cash working capital relating to operations are as follows:

	<u>2007</u>	<u>2006</u>
(Increase) in current assets		
Accounts receivable	\$ (89,887)	\$ (91,065)
Interest receivable	<u>(33,185)</u>	<u>(4,507)</u>
	<u>(123,072)</u>	<u>(95,572)</u>
Increase (decrease) in current liabilities		
Accounts payable	(21,459)	31,227
Contributions payable	<u>123,251</u>	<u>172,468</u>
	<u>101,792</u>	<u>203,695</u>
	<u>\$ (21,280)</u>	<u>\$ 108,123</u>

Grand Stairways Inc.



Grand Stairways Inc. specializes in free-standing curved staircases made of exotic premium woods with hand forged wrought iron and hand carved railings to enhance the beauty and grace of any home.

At Grand Stairways Inc. we value client satisfaction from beginning to the end of a project. Our goal is to build a high level of customer service by maintaining a positive working relationship with our clients. We believe in some key fundamentals

when it comes to our reputation in the market. Our business is built on these guiding principles:

- Reliability
- Accountability
- Commitment and passion for our work
- Excellence in client relations
- Quality craftsmanship

We are sincerely grateful to the staff of CCDF for their time and commitment, the funding support, expertise and knowledge they have shared to make our dream a reality. It has been a positive experience and a relationship we value with our business.

Marg and Sandy Friesen
Grand Stairways Inc.
Indian Head, SK

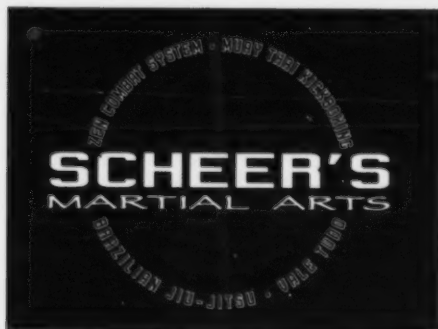
Lamotte Ranch

Clarence Campeau Development Fund has helped us to fulfill our dreams of expanding our organic cattle operation. Without their help we would not have been able to purchase our new land, barn and handling facilities. Thanks to the staff at CCDF, our dreams of expansion has become a reality.

Bob & Rachelle Lamotte
Lamotte Ranch,
Ponteix, SK

Testimonials

Colosseum Athletics & Scheer's Martial Arts



The Clarence Campeau Development Fund and their helpful staff have my deepest gratitude. Through their quality program I was able to take my growing business to the next level.

I knew the steps that needed to be taken to make my business grow. Unfortunately with the multiple challenges standing between me and my goal, it was always just out of reach.

CCDF assisted me in dealing with those challenges, allowing me to take the next step. Thank you for all you have done.

Sincerely,
Troy Scheer
Colosseum Athletics & Scheer's Martial Arts
Saskatoon, SK

Whiska Creek Abattoir 2008 Ltd

We are a live to freezer ready livestock processing facility in the heart of Southwest Saskatchewan.

We process Beef, Hogs, Bison, Wild Game & Sheep.
Thank you CCDF for the great support; it couldn't have happened without your support.

Alice Hattum
Owner-Manager
P.O. Box 84, Vanguard, SK S0N 2V0
Ph: 306-582-2211 Fax: 306-582-2146



Testimonials



We would like to take this opportunity to thank all of the people at Clarence Campeau Development Fund for helping us achieve our goal of purchasing our own autobody repair shop. The support we received from CCDF was crucial to our being able to acquire our shop. We are grateful not only for the financial support we received but also for the business support from CCDF and their advice that was so valuable. I would definitely use the services of CCDF again and I would also recommend CCDF to anyone wanting to start up or purchase a business.

Ben & Jacque Gareau
Advantage Collision and Paint
Saskatoon, SK

I am writing to express our appreciation for the work done on our behalf by the team at the Clarence Campeau Development Fund.



Your knowledge and the level of service provided by the Clarence Campeau Development Fund have made our dealings a very positive experience. We feel that you listened carefully to our objectives and provided timely and practicable solutions to them.

By acting with integrity, providing a high level of communication and respecting necessary confidentiality the benefits of a continued long term relationship are very clear. We look forward to maintaining the working relationship currently enjoyed by both companies.

Sincerely,

Zane Delainey
General Manager
L&M Wood Products
Glaslyn, SK

Testimonials



Our thanks go out to Clarence Campeau Development Fund for helping us achieve our dream of owning our very own family entertainment facility! Since planning to opening there have been many challenges, but with all the professional and knowledgeable staff at Clarence Campeau we have made the opening a huge success. Here at Dolly's Fun House located in Prince Albert SK. my wife (Debra) and I want to invite everyone to come and see our facility which is the first of it's kind in northern

Saskatchewan. We house an approx. 3,550 state of the art lazertag arena, 2,300 square foot indoor soft contained play apparatus, full restaurant and numerous redemption games.

Again thank you Clarence Campeau for all your help in making our dreams come true!!!

Rod & Debra Dallman
Dolly's Fun House
Prince Albert, SK

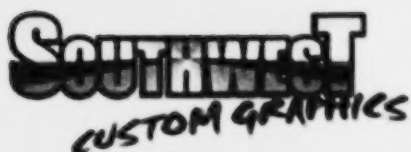
New Ground Cafe

I opened my fair trade coffee bar/bistro in December 2005 and quickly outgrew the space I was renting. The folks at Clarence Campeau Development Fund understood my vision and helped me realize the dream of expanding to a new location in order to serve a growing customer base. Now, with a beautifully renovated character building and a bigger kitchen, the sky's the limit for my business!

Jennifer Willems,
Chef/Owner of the New Ground Cafe,
Birch Hills, SK

"Local ingredients, global flavours"

Testimonials



We would like to express our deepest appreciation and gratitude to the Clarence Campeau Development Fund. With their support we were able to purchase a building and new innovated equipment to get the business established. We are now able to offer all aspects of a graphic/sign shop with the best quality products. Business is going very well. Thanks again CCDF!

Jason Duclos & Amber Rothlander
Southwest Custom Graphics
Swift Current, SK



We would like to take this opportunity to thank the Clarence Campeau Development Fund for all of their support in the development of our new business. Their financial expertise and business development knowledge has made developing our new business a pleasant experience. Thank you to all the professional staff at CCDF for your help. You have certainly contributed to the success of our new business.

Denis & Shelley Boulet
Nipawin, SK

Western Grain Trade Ltd.

Thank you to Clarence Campeau Development Fund for supporting our business. Your understanding of the needs of the agriculture business has been instrumental to our success. The support of CCDF has given us the opportunity to be a part of this amazing business of farming!

Heidi Dutton Weber and George Dutton
Saskatoon, SK

Board of Directors



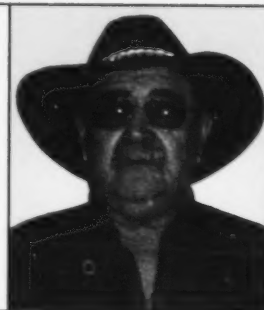
Bob McLeod - Chairman of the Board
Minister of Economic Development
Saskatoon, Saskatchewan



Ron Rivard - Vice Chairman of the Board
Businessman
Saskatoon, Saskatchewan



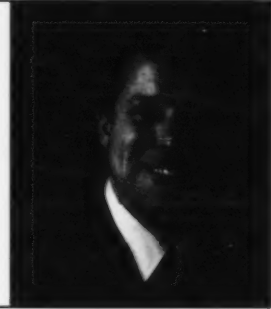
Kathy Palidwar - Member-at-Large
Businesswoman
Nipawin, Saskatchewan



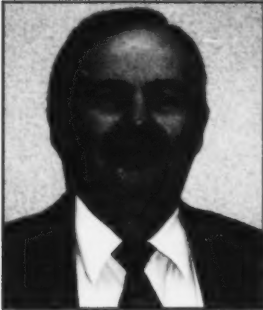
Philip Tinker - North
Businessman
Pinehouse, Saskatchewan

Board of Directors

Mark La Rocque - Ex-Officio
Acting Director
Strategic Planning & Policy
First Nations & Métis Relations
Regina, Saskatchewan



Hal Sanders - Ex-Officio
Saskatchewan Industry & Resources
Regina, Saskatchewan



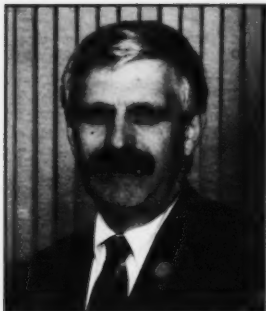
Geordy McCaffrey - Ex-Officio
Executive Director of Gabriel Dumont Institute
Saskatoon, Saskatchewan



Greg Fofonoff - Ex-Officio
CEO - SaskNative Economic Development Corporation
Saskatoon, Saskatchewan



CCDF Staff



Roland Duplessis
Fund Manager



Georgette Nicolas
Senior Business Development



Monica Brunet
Business Development Officer



Steve Danners
Business Development Officer

Ryan Patterson
Business Development Officer



Rebecca Krahn
Office Manager

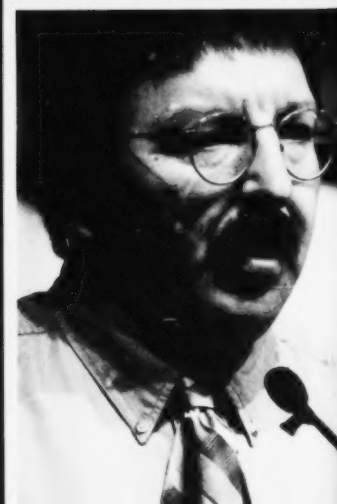


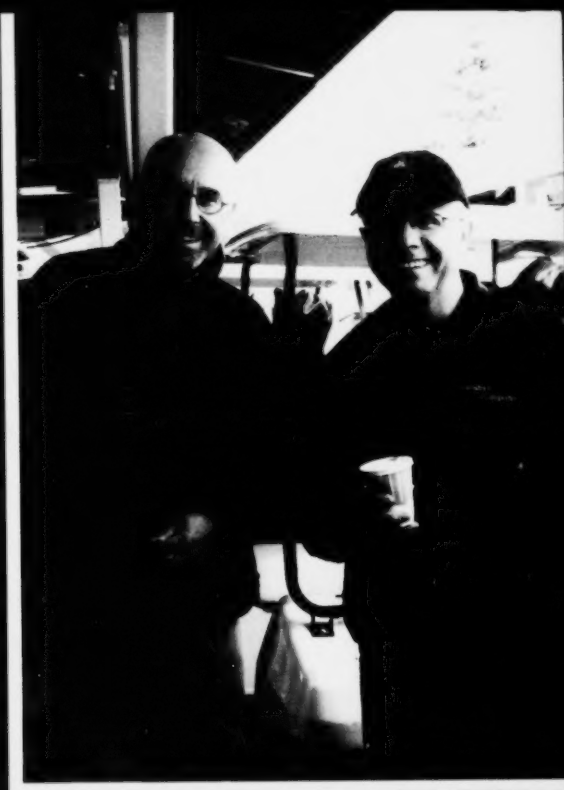
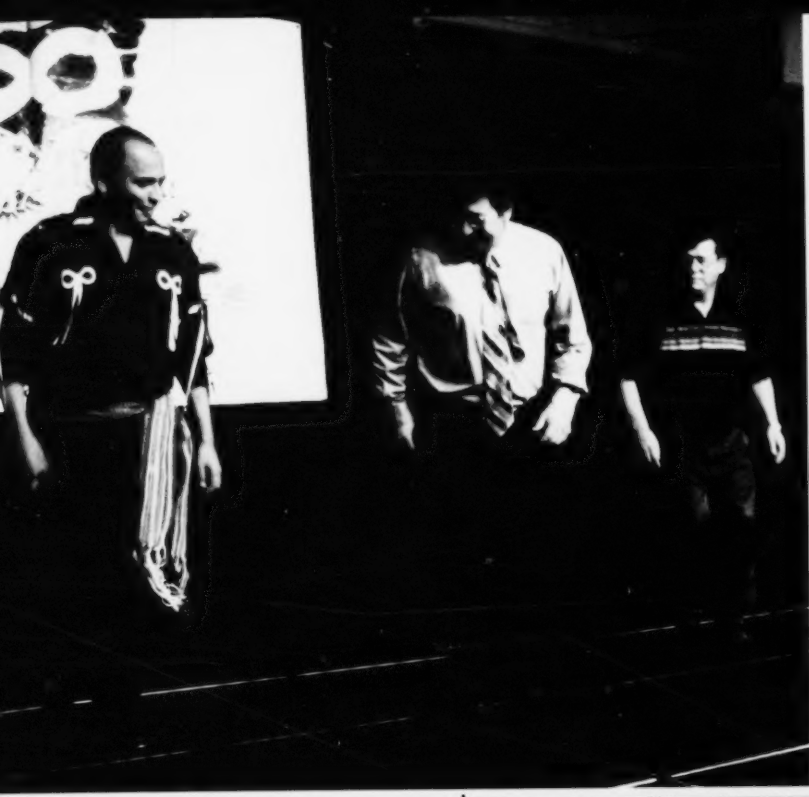
Christine McGowan
Administrative Assistant





*Celebrating
10 Years*







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